GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2273
ANSWERED ON:29.07.2016
Holdings in PNB
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Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has recently notified the aggregate foreign share holdings by foreign institutional investors/Non Resident Indians (NRIs)/ Persons of Indian Origin (PRI)/Foreign Direct Investment (FDI) and other under the Portfolio Investment Scheme (PIS) in Punjab National Bank (PNB) under the extant FDI policy, if so, the details thereof;

(b) whether reeling under bad loans, the PNB posted the largest quarterly loss by any public sector lender at Rs. 5,367 crore for the fourth quarter ending March 31, 2016 despite its net profit of Rs. 306.56 crores in the corresponding period of 2014-15; and

(c) if so, the details and the reasons for posting largest quarterly loss for the fourth quarter ending March 31, 2016?

Answer

The Minister of State in the Ministry of Finance

(a): Reserve Bank of India (RBI) on July 8, 2016 notified that the aggregate foreign share holdings by Foreign Institutional Investors (FIIs) / Registered Foreign Portfolios Investors (RFPIs) / Non Resident Indians (NRI) / Persons of Indian Origin (PIO) / Foreign Direct Investment (FDI) / American Depository Receipts (ADR) / Global Depository Receipts (GDR) under Portfolio Investment Scheme (PIS) in M/s Punjab National Bank (PNB) have gone below the prescribed threshold caution limit stipulated under the extant FDI policy. Hence, the restrictions placed on the purchase of shares of the above company dated May 22, 2009 were withdrawn with immediate effect.

(b) & (c): PNB has posted a quarterly loss of Rs. 5,367 crore for the fourth quarter ended March 31, 2016 against net profit of Rs. 306.56 crore in the corresponding period of 2014-15. The Bank has incurred these quarterly losses mainly due to significantly higher provisions against NPAs made during the quarter ending March 31, 2016.
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